BEAVER CITY CORP P.O. 80X 271 BEAVER, UT 84713 PHONE 438-2451-FAX 438-5826

Mr Lee Simms Water Rights Salt Lake City, Ut

Re: Beaver City stock in Harris-Willis Company

Dear Mr Simms:

I am sorry I was unable to get my letter finished and faxed to you yesterday as in thought I would. A man came to put a modem in the computer and I had the letter half done and had to shut down.

Concerning our telephone conversations regard Beaver City's pressurized irrigation system, and the annexation of new properties which hold water certificates or stock that will or would be given to the City, and that the City desires to supply, were possible, through the City's pressurized irrigation system.

The attached letter was written by Councilmen Bradshaw and does address some of the issues, but we have been told the water stock can be transferred by yourself and Terry Carpenter which is different than what Councilmen Bradshaw is telling us and what he is hoping the answers will be.

As a City and as a stock holder in the Harris-Willis Corporation we want to know what our rights are. To say the Harris-Willis company does not want this stock transferred is not completely right in that the stockholders we have surveyed are, in general, in favor of the City supplying water to the City.

The points of diversion for both system are within feet of each other, and the points of use will remain the same. The issue is, if the Beaver acquires the water stock as part of annexations, who is going to deliver the water.

If the City allows the Harris-Willis to supply irrigation water on the areas that Councilmen Bradshaw has in mind, then in the future the City could be more than one-half under irrigation by the Harris-Willis Corporation, the lines would be on City property, and the citizens would presume that the City was to maintain and fix the problems. Are there not major problems in the future?

The City all ready been has been talked into buying a preexisting branch of the Harris-Willis system (the piping) and supplying some of our water through the Harris-Willis system. We could connect these branches to the City system with the addition of just a small amount of pipe. There is concern by some of the city that we have made an error in letting Harris-Willis have control or deliver that portion of the city's water.

Our water-master says the water decree states that City water cannot be transferred, sold, or given away, etc. Should we get the water back in our system? What problems to you see In controlling our water? Isn't the Harris-Willis reaping benefits that could and should be the cities from having this water supply in their system? The Harris-Willis ditch is not measuring the water they take and appear to take everything they want.

Another area of the City, annexed a few years ago, had Harris-Willis stock and is served through that system. Put now that acreage has been included as part of the 332 acres decreed to the city system and City water is going to the area. Less than 100' of pipe would allow the City to deliver the water. Were is Harris-Willis using the water for that land? Is it being sold or used elsewhere and the City being shorted acreage elsewhere?

Additionally, if the City does not demand the rights to the water stocks as part of annexation, those properties could sale off the water and then the annexation would be dry. Our ordinances state that before the City supplies culinary water they must be connected to the irrigation system. To be connected to the irrigation system they must have water which is physically possible to get into the system.

Please review these questions and comment on the questions posed by Councilmen Bradshaw. We, of course, are looking for answers with the growth and development of Beaver City in mind and the protection of our water resources.

There are other questions, and it is hard to put them in writing. Would you and/or others be available to attend a City Council meeting to discuss the issues which confront us?

Your help is greatly needed and appreciated on the matter. Please contact me at 438-2451 with any questions I might help you with.

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Steve Atkin Beaver City Manager